

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Neptune Township Board of Education

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Neptune Township School District, County of March 16, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the Neptune Township Board of Education's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

March 17, 2023
Cranford, New Jersey

Scott A. Clelland

Scott A. Clelland
Licensed Public School Accountant No. 1049

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the District's ACFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Peter J. Leonard	School Business Administrator/Board Secretary	\$ 300,000
Peter I. Bartlett	Asst. Business Administrator/Asst. Board Secretary	300,000
Sandra Lampinen	Accountant I	300,000

P.L.2020,c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district.

The school district project data certification was completed by the chief school administrator. The school district project Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District has an agreement with the sending districts that includes a fixed price per pupil.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

No exceptions were noted.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no exceptions.

Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the Annual Comprehensive Financial Report (ACFR). This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

The study of compliance for E.S.E.A indicated no exceptions.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the ACFR.

Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated the following areas of noncompliance that are required to be reported in accordance with 2 CFR 200.516(a) or State Circular 15-08.

I.D.E.A. Part B

Finding 2022-001

During our testing of the I.D.E.A. Cluster, the District was unable to provide support that proper federal procurement standards were met for a purchase of software. We selected all vendors paid in excess of \$10,000 dollars for testing. Four vendors were identified. The District maintains proper documentation of small purchase procurement for three of the four vendors.

Recommendation:

We suggest the District strengthen internal controls and procedures to ensure that all purchases made in excess of the Federal procurement thresholds are made in accordance with 2 CFR 200.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's final reports for all applicable federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$20,200 for 2021-22.

The District has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Procedures were performed on a test basis, to indicate if any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A.* 18A:18A-5.

Finding 2022-002

Finding:

During our testing of procurement, we noted the District paid for contract expenditures as lump sum expenditures rather than detailed by rates and costs as stated in the contract.

Recommendation:

We suggest the District strengthen internal controls and procedures to ensure that all payments made under contract are supported by appropriately detailed vendor invoices.

School Food Service

PUBLIC HEALTH EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, SFAs were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option. SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Fixed Price contract and addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$225,500 including commodity credits. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

Net cash resources did exceed three months average expenditures. This was mainly attributable to the COVID-19 Health Emergency and the District attempted to spend funds to reduce the excess and will continue to do so going forward. As a result, no recommendation has been made.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications /or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Donation Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the ACFR.

Student Body Activities

During our audit of the student activity funds maintained at the high school and middle school, we noted no exceptions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (ASSA) for on roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the District workpapers without exception. The information included as part of the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments. The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2021-22 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses or contracted services for pupil transportation were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services

Testing for Lead of All Drinking Water in Educational Facilities

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead for all drinking water in educational facilities. The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to *N.J.A.C. 6A:26-12.4(g)*.

Follow-up on Prior Year's Findings

There were no prior year findings and there were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2022 fiscal year.

Acknowledgment

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

SCHEDULE OF AUDITED ENROLLMENTS

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021**

	Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri- fication	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	307	-	307	-	-	-	62	-	62	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	169	-	169	-	-	-	32	-	32	-	-	-	-	-	-	-	-
One	207	-	207	-	-	-	45	-	45	-	-	-	-	-	-	-	-
Two	171	-	171	-	-	-	35	-	35	-	-	-	-	-	-	-	-
Three	185	-	185	-	-	-	17	-	17	-	-	-	-	-	-	-	-
Four	167	-	167	-	-	-	23	-	23	-	-	-	-	-	-	-	-
Five	158	-	158	-	-	-	32	-	32	-	-	-	-	-	-	-	-
Six	160	-	160	-	-	-	160	-	160	-	-	-	-	-	-	-	-
Seven	171	-	171	-	-	-	171	-	171	-	-	-	-	-	-	-	-
Eight	169	-	169	-	-	-	169	-	169	-	-	-	-	-	-	-	-
Nine	221	-	221	-	-	-	221	-	221	-	-	-	-	-	-	-	-
Ten	210	-	210	-	-	-	210	-	210	-	-	-	-	-	-	-	-
Eleven	258	6	258	6	-	-	258	6	258	6	-	-	-	-	-	-	-
Twelve	220	5	220	5	-	-	220	5	220	5	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2,773	10	2,773	10	-	-	1,655	10	1,655	10	-	-	-	-	-	-	-
Special Ed - Elementary	260	-	260	-	-	-	24	-	24	-	-	-	14	8	8	-	-
Special Ed - Middle School	159	-	159	-	-	-	159	-	159	-	-	-	12	9	9	-	-
Special Ed - High School	243	20	243	20	-	-	243	20	243	20	-	-	30	28	28	-	-
Subtotal	662	20	662	20	-	-	426	20	426	20	-	-	56	45	45	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,435	30	3,435	30	-	-	2,081	30	2,081	30	-	-	56	45	45	-	-
Percentage Error					0.00%	0.00%					0.00%	0.00%					0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
	Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	96	96	-	16	16	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	83	83	-	16	16	-	8	8	-	6	6	-
One	98	98	-	18	18	-	10	10	-	1	1	-
Two	93	93	-	13	13	-	13	13	-	9	9	-
Three	114	114	-	16	16	-	13	13	-	9	9	-
Four	98	98	-	20	20	-	12	12	-	6	6	-
Five	85	85	-	17	17	-	9	9	-	6	6	-
Six	79	79	-	10	10	-	0	0	-	0	0	-
Seven	95	95	-	20	20	-	5	5	-	3	3	-
Eight	99	99	-	11	11	-	2	2	-	2	2	-
Nine	98	98	-	12	12	-	3	3	-	5	5	-
Ten	97	97	-	14	14	-	2	2	-	2	2	-
Eleven	110	110	-	16	16	-	11	11	-	10	10	-
Twelve	104	104	-	15	15	-	6	6	-	5	5	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>1,348</u>	<u>1,348</u>	<u>-</u>	<u>214</u>	<u>214</u>	<u>-</u>	<u>94</u>	<u>94</u>	<u>-</u>	<u>64</u>	<u>64</u>	<u>-</u>
Special Ed - Elementary	167	167	-	28	28	-	7	7	-	12	12	-
Special Ed - Middle	109	109	-	13	13	-	11	11	-	5	5	-
Special Ed - High	153	153	-	24	24	-	11	11	-	12	12	-
Subtotal	<u>429</u>	<u>429</u>	<u>-</u>	<u>65</u>	<u>65</u>	<u>-</u>	<u>29</u>	<u>29</u>	<u>-</u>	<u>29</u>	<u>29</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>1,777</u>	<u>1,777</u>	<u>-</u>	<u>279</u>	<u>279</u>	<u>-</u>	<u>123</u>	<u>123</u>	<u>-</u>	<u>93</u>	<u>93</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	744	744	-	145	145	-
Reg -SpEd, col. 4	149	149	-	29	29	-
Transported - Non-Public, col. 2, 3	250	250	-	48	48	-
Special Ed Spec, col. 6	221	221	-	42	42	-
Totals	<u>1,364</u>	<u>1,364</u>	<u>-</u>	<u>264</u>	<u>264</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	4.1	4.1
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part E)	4.2	4.2
Spec Avg. = Special Ed with Special Needs	3.7	3.7

NEPTUNE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	2	2	-	1	1	-
One	1	1	-	1	1	-
Two	5	5	-	1	1	-
Three	9	9	-	3	3	-
Four	3	3	-	-	-	-
Five	2	2	-	-	-	-
Six	1	1	-	-	-	-
Seven	2	2	-	1	1	-
Eight	4	4	-	2	2	-
Nine	6	6	-	2	2	-
Ten	2	2	-	-	-	-
Eleven	13	13	-	9	9	-
Twelve	6	6	-	3	3	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>56</u>	<u>56</u>	<u>-</u>	<u>23</u>	<u>23</u>	<u>-</u>
Special Ed - Elementary	1	1	-	-	-	-
Special Ed - Middle	1	1	-	-	-	-
Special Ed - High	8	8	-	1	1	-
Subtotal	<u>10</u>	<u>10</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>66</u>	<u>66</u>	<u>-</u>	<u>24</u>	<u>24</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

NEPTUNE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

**FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid					\$ 0.370	
National School Lunch (Regular Rate)	Reduced					3.280	
National School Lunch (Regular Rate)	Free					3.680	
National School Breakfast (SSO Rate)	Free	8,181	8,181	8,181		4.250	
National School Breakfast (SSO Rate)	Free	60,257	60,257	60,257		4.318	
National School Breakfast (SSO Rate)	Free	104,806	104,806	104,806		4.563	
National School Lunch (SSO Rate)	Free	8,056	8,056	8,056		2.415	
National School Lunch (SSO Rate)	Free	146,591	146,591	146,591		2.463	
National School Lunch (SSO Rate)	Free	231,625	231,625	231,625		2.605	
	TOTAL	559,516	559,516	559,516			-
National School Lunch	HHFKA - PB Lunch Only					0.070	
School Breakfast (Regular Rate)	Paid					0.330	
	Reduced					1.670	
	Free					1.970	
	TOTAL						-
Total Net Overclaim							-

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

NEPTUNE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

**FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid					\$ 0.010	
State Reimbursement - National School Lunch (Regular Rate)	Reduced					0.105	
State Reimbursement - National School Lunch (Regular Rate)	Free					0.105	
	TOTAL	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>			
Seamless Summer Option (SSO)							
Lunch	Free	386,272	386,272	386,272		0.105	
	TOTAL	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>			
Total Net Overclaim							<hr/> <hr/> <hr/>

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

NEPTUNE TOWNSHIP SCHOOL DISTRICT

Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2022

<u>Net Cash Resources:</u>			Food Service B - 4/5	
CAFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$	649,055
B-4		Due from Other Gov'ts		169,277
B-4		Accounts Receivable		25,016
B-4		Investments		
CAFR		Current Liabilities		
B-4		Less Accounts Payable		(135,954)
B-4		Less Accruals		
B-4		Less Due to Other Funds		
B-4		Less Unearned Revenue		(24,199)
		Net Cash Resources	\$	683,195 (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.		2,086,529
B-5		Less Depreciation		(94,032)
		Adj. Tot. Oper. Exp.	\$	1,992,497 (B)

Average Monthly Operating Expense:

B / 10	\$	199,250 (C)
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Three times monthly Average:

3 X C	\$	597,749 (D)
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TOTAL IN BOX A	\$	683,195
LESS TOTAL IN BOX D		597,749
NET	\$	85,446

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 1 - Regular District

B. 4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures Reported on Exhibit C-1	\$ <u>96,007,384</u>	(A)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	- (A1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	- (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ _____	- (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u>271,940</u>	(A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	\$ <u>1,830,352</u>	(A1b)
2021-22 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	\$ <u>94,448,972</u>	(A2)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>17,191,295</u>	(A3)
Assets Acquired Under Capital Leases:	\$ _____	-
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	\$ _____	- (A4)
Add:		
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	\$ _____	-
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	\$ _____	- (A5)
Combined General Fund Contribution and State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>95.84%</u>	(A6)
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) * (A6)]	\$ _____	- (A7)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	\$ _____	- (A8)
2021-22 General Fund Expenditures [(A2)-(A3)-(A8)]	\$ <u>77,257,677</u>	(A9)
4 percent of Adjusted 2021-22 General Fund Expenditures [(A9) times .04]	\$ <u>3,090,307</u>	(A10)
Enter Greater of (A10) or \$250,000	\$ <u>3,090,307</u>	(A11)
Increased by: Allowable Adjustment*	\$ <u>517,113</u>	(K)
Maximum Unassigned Fund Balance [(A11) + (K)]	\$ <u>3,607,420</u>	(M)

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 2

Total General Fund – Fund Balances at June 30, 2022 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 20,533,916 (C)
Decreased by:	
Year-end Encumbrances	\$ 40,790 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 4,021,558 (C3)
Other Restricted Fund Balances****	\$ 6,216,844 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	\$ 394,407 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 9,860,317 (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	\$ 6,252,897 (E)
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Recapitulation of Excess Surplus as of June 30, 2022

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 4,021,558 (C3)
Restricted Excess Surplus *** [(E)]	\$ 6,252,897 (E)
Total [(C3)+(E)]	\$ 10,274,455 (D)

Detail of Allowable Adjustments

Impact Aid	\$ - (H)
Sales & Lease-back	\$ - (I)
Extraordinary Aid	\$ 478,272 (J1)
Additional Nonpublic School Transportation Aid	\$ 38,841 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ - (J3)
Family Crisis Transportation Aid	\$ - (J4)
Maintenance of Equity Aid and State Military Impact Aid received July 2022	\$ - (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ 517,113 (K)

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** The amount entered must agree with the June 30, 2022 ACFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted Fund Balance must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve (N-1)	\$ 3,583,916
Maintenance Reserve (N-2)	\$ 1,355,000
Tuition Reserve (N-3)	\$ -
Emergency Reserve (N-4)	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Current Year (N-5)	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Prior Year (N-6)	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003) (N-7)	\$ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) (N-8)	\$ -
Other state/government mandated reserve	\$ -
Reserve for Unemployment Fund (N9)	\$ 1,277,928
Other Restricted Fund Balance Not Noted Above****	\$ -
Total Other Restricted Fund Balance	\$ 6,216,844 (C4)

Audit Recommendations Summary

June 30, 2022

We suggest the following:

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

2022-001 - The District strengthen internal controls and procedures to ensure that all purchases made in excess of the Federal procurement thresholds are made in accordance with 2 CFR 200.320.

School Purchasing Programs

2022-002 - The District strengthen internal controls and procedures to ensure that all payments made under contract are supported by appropriately detailed vendor invoices.

School Food Service

None

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

None

Status of Prior Year Findings

Not applicable